

CHAPTER NO. 106

SENATE BILL NO. 754

By Graves

Substituted for: House Bill No. 1052

By McKee, Fraley, Fitzhugh

AN ACT To amend Tennessee Code Annotated, Title 66, relative to molders' liens.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 66, is amended by adding thereto Sections 2 through 4 of this act as a new Chapter 18.

SECTION 2. (a) As used in this act, unless the context otherwise requires:

(1) "Customer" means any individual or entity who causes or caused a molder to fabricate, cast or otherwise make a die, mold, form, or pattern or who provides a molder with a die, mold, form, or pattern to manufacture, assemble, cast, fabricate or otherwise make a product or products for a customer.

(2) "Molder" means any individual or entity who fabricates, casts, or otherwise makes or uses a die, mold, form, or pattern for the purpose of manufacturing, assembling, casting, fabricating, or otherwise making a product or products for a customer. A "molder " includes, but is not limited to, a tool or die maker.

SECTION 3. (a) Molders, shall have a lien, dependent on possession, on all dies, molds, forms or patterns in their hands belonging to a customer, for the balance due them from such customer for any manufacturing or fabrication work, and in the value of all material related to such work. Such liens shall attach upon the commencement of work by the molder and shall be subject to any prior perfected security interest in such property as of the commencement date. The molder may retain possession of the dye, mold, form or pattern until the charges are paid, or until repossessed by a creditor with a prior perfected security interest.

(b) Before enforcing such lien, notice in writing shall be given to the customer, whether delivered personally or sent by registered mail to the last known address of the customer. This notice shall state that a lien is claimed for the damages set forth in or attached to such writing for manufacturing or fabrication work contracted or performed for the customer. This notice shall also include a demand for payment.

(c) If the molder has not been paid the amount due within sixty (60) days after the notice has been received by the customer as provided in subsection (b), the molder may sell the die, mold, form or pattern in a commercially reasonable manner pursuant to Tennessee Code Annotated, Title 47, Chapter 9, Part 5.

SECTION 4.

(d) A sale shall not be made under this chapter if it would be in violation of any right of a customer under federal patent or copyright law.

SECTION 5. This act shall take effect upon becoming a law, the public welfare requiring it.

PASSED: April 26, 1999


JOHN S. WILDER
SPEAKER OF THE SENATE


JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 4th day of May 1999


DON SUNDQUIST, GOVERNOR